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## **PLANNING OF HUMAN RESOURCE PROCESSES**

Recruiting and Introduction

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Recruiting and Introduction

Miika Toljamo

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## **ABSTRACT**

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The aim of this Bachelor's thesis was to plan and document human resource processes for the target company. In this thesis, two significant human resource processes have been planned and described. These processes are recruiting and introduction.

Each process is designed for the target company which previously did not have any documented processes for Human Resources management.

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Keywords: Human resources, processes, HR, HRM, recruiting, introduction

## TIIVISTELMÄ

Oulun seudun ammattikorkeakoulu  
Tietotekniikka, Ohjelmistojen kehitys

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Tämän työn tarkoitus oli suunnitella ja toteuttaa henkilöstöjohtamisen prosessit kohdeyritykselle. Tässä opinnäytetyössä esitellään kahden merkittävän osaprosessin suunnittelu aina toteutukseen asti. Nämä prosessit ovat rekrytointi ja perehdyttäminen.

Kukin prosessi on suunniteltu kohdeyritykselle, jolla ei aikaisemmin ole ollut dokumentoituja prosesseja henkilöstöresurssien johtamiselle.

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Asiasanat: Henkilöstöresurssit, prosessit, HR, HRM, rekrytointi, perehdyttäminen

## **PREFACE**

I want to thank my everything, Johanna, for giving me the support and motivation to accomplish my studies including this thesis. I promise to make up every lonely evening which I have spent working on this study.

Thanks to my siblings, parents and friends for every piece of support you gave me, it has been needed and recognized. Especially I want to thank Elina Kurkimäki, Matias Savela and Jan Pahkala for peer support with this thesis.

I also want to thank Codemate Ltd for the best work place in the world and for the opportunity to make my thesis for them. Thanks to my adviser at the company, HR Director Lasse Määttä for indispensable support with this thesis.

Thanks to Markku Rahikainen, Aira Huhta and the staff at OAMK for assistance. Hello to every single person reading this for interest in my work.

Oulu 1.5.2011

Miika Toljamo

## **SYMBOLS AND ABBREVIATIONS**

HR	Human Resources
HRM	Human Resources Management

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## 2. INTRODUCTION

The objective of this thesis is to plan and document human resource processes for the target company. Processes help the company to develop and maintain higher productivity and keep the employees healthy and positive. Processes also help the company to achieve a picture of a reliable and systematic company in the eyes of the employees and partners.

Processes are assets of an organization, the same way as personnel, facilities and information. Well managed, they will pay off in terms of performance to the corporation. Processes, moreover, are somewhat special in that they are the vehicles that synchronize the other assets and aspects of change. They are the organizing framework for all the other components. If we don't have the answer to the question, "What should we do?" we can't justify our designs for change in other organizational capabilities. (1, p. 73).

All processes are designed for a small to medium sized company, Codemate Ltd. Codemate Ltd is an international software development house with headquarters in Finland. Their business goal is to offer high quality software development services in a flexible and cost-effective way. Codemate Ltd is specialized in creating web-based solutions that can be used with multiple platforms. Previously, there has not been a single documented process for Human Resources Management. Due to high and steady growth, Codemate needs basic HRM processes to be planned and documented.

Codemate Ltd's headquarters are located in Oulu, Finland. In Finland, company has also offices in Vuokatti and Helsinki. The company has also offices in Dhaka, Bangladesh and Bangkok, Thailand. Currently, there are approximately 30 employees in Finland and 70 worldwide.

The operation of the company started in 2005. Since then Codemate has evolved into an active community of specialized professionals with five offices internationally. The financial growth has been steady since the

beginning. Codemate's customers include private companies and public organizations.

The Human Resource Processes of this thesis were designed for Codemate's Finnish offices.

### **3. HUMAN RESOURCE MANAGEMENT**

Human Resource Management is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. It deals with issues related to people, such as:

- compensation
- hiring
- performance management
- organization development
- safety
- wellness
- benefits
- employee motivation
- communication
- administration
- training

HRM's mission is to improve both individuals and collectives ability, motivation and opportunity to perform. It is a strategic and comprehensive approach to managing people, even with different workplace culture or environment. Effective HRM enables employees to contribute for accomplishing the organization's direction, goals and objectives. HRM is expected to add value to the strategic utilization of employees, and impact the business in measurable ways. (2, p. 1).

#### **3.1 Goals**

There are some common goals for Human Resources Management that need to be achieved to satisfy the company's stakeholders and compete in a selected industry.

### **3.1.1 Cost-effectiveness**

One of the biggest goals of the HRM is to secure the company's economic viability in the industries in which they have chosen to compete. Maximizing profits is not essential, but if the company fails to sustain the commitment of investors, the company is about to go bust, be restructured or sold off. HRM management tries to achieve viability to satisfy its shareholders. That means need to stabilize a production system that competes in its industry. (3, p. 11-12).

With cost-effectiveness, the company is able to provide a steady and healthy environment set-up, which can be improved further with HRM processes.

### **3.1.2 Organizational flexibility**

In every industry, and especially in the Information Technology industry, change is inevitable and many companies have to, of necessity, adopt some HR practices designed to enhance capacity to change or build organizational flexibility (3, p.14). That means processes which evolve continuously to meet the needs and goals of a company's strategy.

### **3.1.3 Short-run responsiveness and long-run agility**

HRM needs to attempt to hire cross-trained and multi-skilled workers, combining roles that have historically been kept in separate job descriptions. This functional flexibility enables a company to have lower headcount but cope better with marginal improvements in production process. (3, p. 14-15).

Long-run agility is a much more powerful than short-run responsiveness, but a rather ambiguous concept. The main concern of long-run agility is to build the ability and mechanism to survive in an environment that can change radically. HRM elements and processes need to be flexible and capable to

make radical changes to achieve this. One way to provide flexible HRM processes is to actively develop them. (3, p. 15-16)

## **4. PROCESSES**

### **4.1 The definition of a business process**

A business process is a collection of activities or tasks that serve a particular goal. It can be decomposed into several sub-processes which contribute to achieving the goal of the super-process. Processes should not include unnecessary activities, and they must always be designed to add value for the customer. A well designed process increases effectiveness, which is value for the customer, and increases efficiency which causes less costs for the company. Business processes can be visualized with a flowchart as a sequence of activities. (4.)

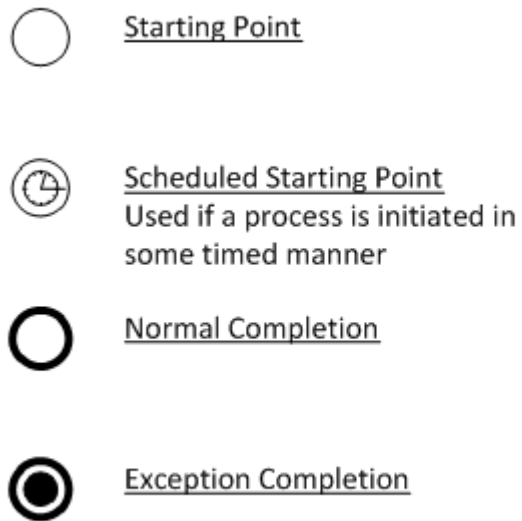
There are three types of business processes, which are Management, Operational and Supporting. This thesis focuses on Supporting Processes, which shore the core processes, such as Corporate Governance and Strategic Management. (4.)

### **4.2 Symbols and roles in a process flowchart**

Process flowchart contains different kind of symbols, actions and roles. They are briefly described in this chapter.

#### **4.2.1 Starting and completion**

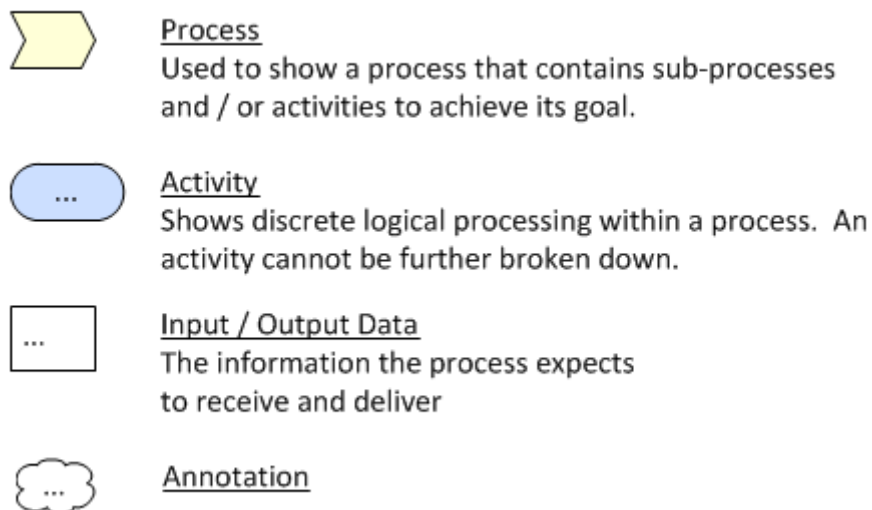
Each process starts with a starting point, and ends with completion. Normal completion can is expected and desired. If a process ends without completing the whole process as it should be, Exception Completion mark is used. (Figure 1)



**Figure 1 Starting and completing a process**

## 4.2.2 Events

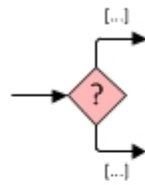
Processes can contain different kinds of events and activities (Figure 2).



**Figure 2 Actions**

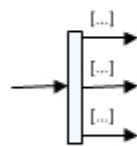
### 4.2.3 Different paths

If process line is divided or there must be a decision, different kinds of symbols are being used in flowchart (Figure 3).



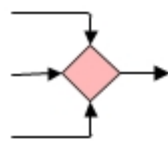
#### Decision

Processing will split based on a decision. The given condition met will be shown on the outgoing flow line. Decisions yield two results only. For greater than two result flows, a Switch should be used.



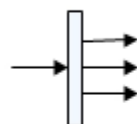
#### Switch

Processing will split based on conditions. The given condition met will be shown on the outgoing flow line. Only one flow will be continued along and needs to be paired with a corresponding Merge.



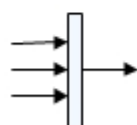
#### Merge

Brings multiple process flows back into a single flow. Processing will only have occurred on one of the incoming flows.



#### Split

Processing continues in parallel within the same flow. Needs to be paired with a corresponding Join



#### Join

Brings multiple process flows back into a single flow. Processing will only have occurred on all of the incoming flow lines and will not continue passed the Join until all have completed.

Figure 3 Different paths



#### 4.2.4 Roles

Each process line (Figure 1) contains the person's name who is responsible for the outcome of the process line. Roles used in this thesis's processes:

- Human Resources Director: Overall HRM responsibility and lead in every HRM process.
- IT Support: Responsible for the company's IT infrastructure, containing personal accessories.
- CEO
- Employee
- Project team
- Tutor

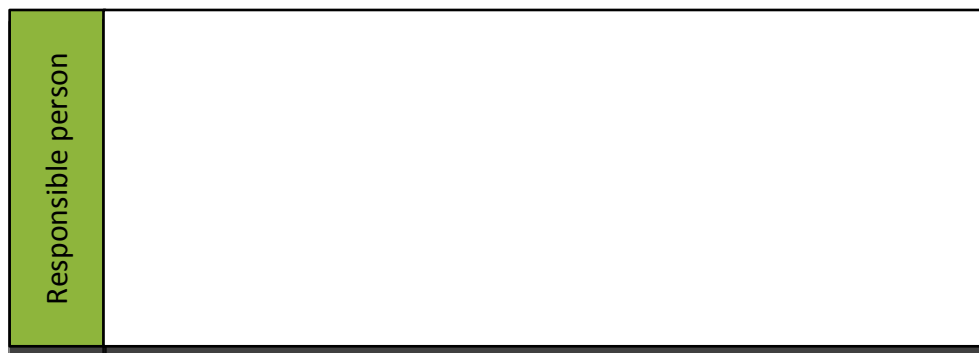


Figure 4 Process line

## **5. RECRUITING**

Recruiting contains every action which is being used to get personnel for a company (5, p. 20). Decision to recruit is always a strategic decision, especially when recruiting key persons. Because selection is the most critical part of recruiting (6, p. 132) and all previous actions lead to selection, this thesis focuses on that.

### **5.1 Selection methods**

There are several methods to help to make decision between applicants, such as

- Interviewing
- Assessment centre
- Work sample and stimulation
- Person / suitability rating
- References

Methods are suitable for different kinds of situations, but assessment centre, work stimulation and person ratings have good predictability compared to future work success. References have weak predictability. (6, p. 134)

#### **5.1.1 References**

Preliminary selection focuses on application and CV. This part of the recruiting process should be run by two or more persons to make sure that good applicants will proceed to the interviewing (6, p. 133). Only references that are named by applicant can be used, due to Finnish law (6, p. 135).

### **5.1.2 Interviewing**

Interviewing is the most used method to define applicant's personal and professional skills and it can be structured or informal. Structural interview is defined as more reliable way than informal, but not so useful when interviewing specialists and experts. (6, p. 134)

### **5.2 Personnel planning**

It is not always necessary to hire new employees outside the company. Job tasks can be reorganized or shared. Educating existing employees to new, more challenging jobs can give them motivation to exceed previous levels of work. Internal recruiting should always be considered before external recruiting. (5, p. 21).

## **6. INTRODUCTION**

Introduction process is strongly related to recruiting process, and often overall recruiting processes do not describe it separately (6, p. 138). However, an employee can not work with full power from the first day, if there is no planned introduction. In this thesis, Introduction process is separated from Recruiting process to underline its significant role in HRM processes.

### **6.1 Main purpose**

Introduction process aims to provide direction and support for employee's development towards rounded and independent working (6, p.138).

### **6.2 Timeline**

The length of the introduction depends on requirements of industry and assignment. Timeline can be weeks, according to employee's previous work experience, but usually it takes 6-12 months (6, p.138). Due to various variables in timeline definition, each introduction needs to define its own timeline.

### **6.3 Training**

The role of the supervisor plays an essential role in training, but it is recommended to name peer supportive personnel as a tutor. Working as pair can be an effective way to learn new work tasks. Organizations can also arrange common introduction training days for new employees. (6, p.138)

## **6.4 End**

Development discussion is recommended to be arranged after completing the process. Meeting focuses on feedback from each party. It is suggested that ending meeting has an evaluation form to be filled (6, p.140).

## 7. RESULTS

This chapter includes implementation ready processes for recruiting and introduction. All processes include process flowcharts with verbal descriptions.

### 7.1 Recruiting process

Recruiting process contains three sub-processes. One sub-process is a decision process, which is used multiple times (Figure 6). Process starts when application is received (Figure 5).

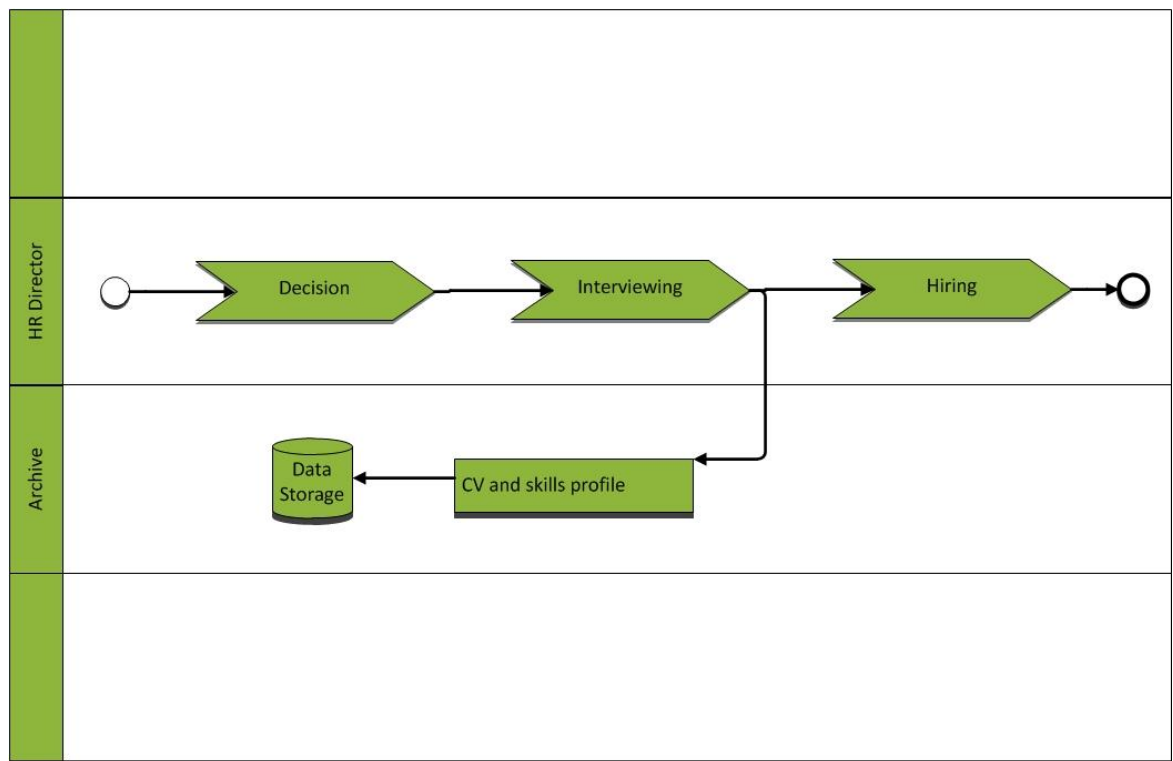


Figure 5 Recruiting: Main process

#### 7.1.1 Decision

Decision sub-process is used when new information about the applicant is received.

At first, a decision needs to be done before continuing to interviewing. Is the applicant good enough for continuing? That depends on various aspects, such as previous work history, education, personal skills and suitability for this company. Even if the applicant is good enough, there might not be use for the applicant at this time. If the process ends here, the applicant receives a call and his/her application is documented for later use. (Figure 6)

If the applicant is not good enough, he/her receives a call or email and the application is not stored (Figure 6).

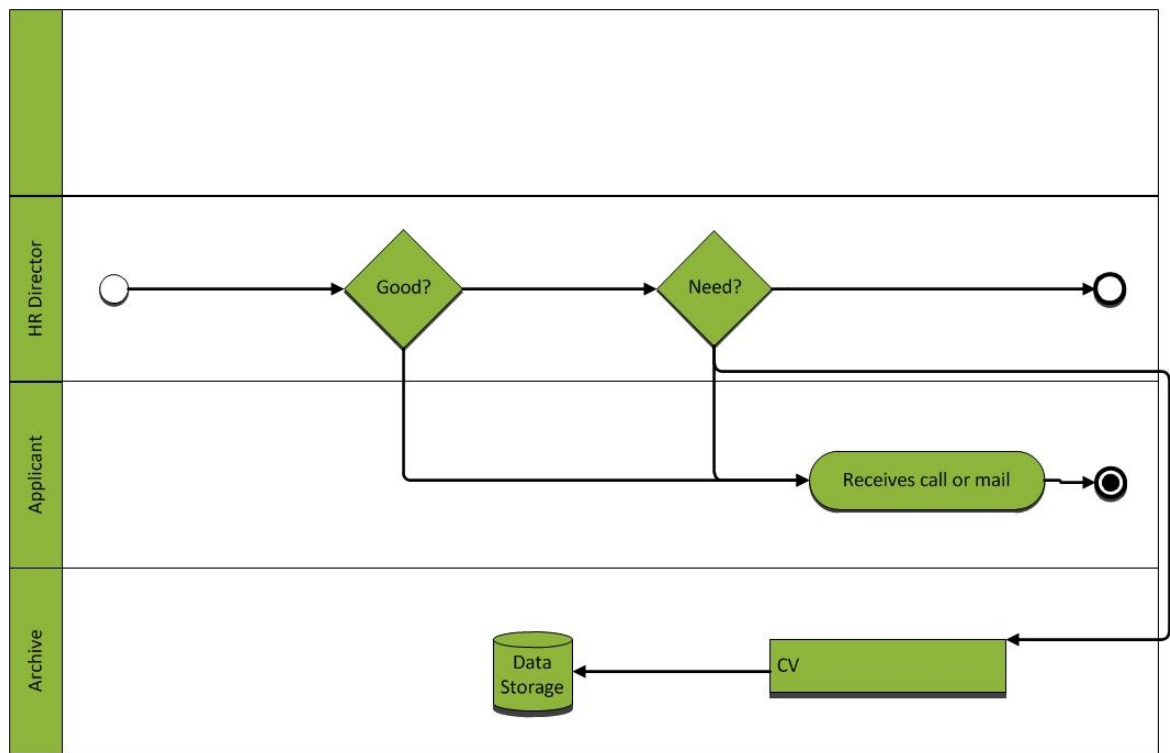
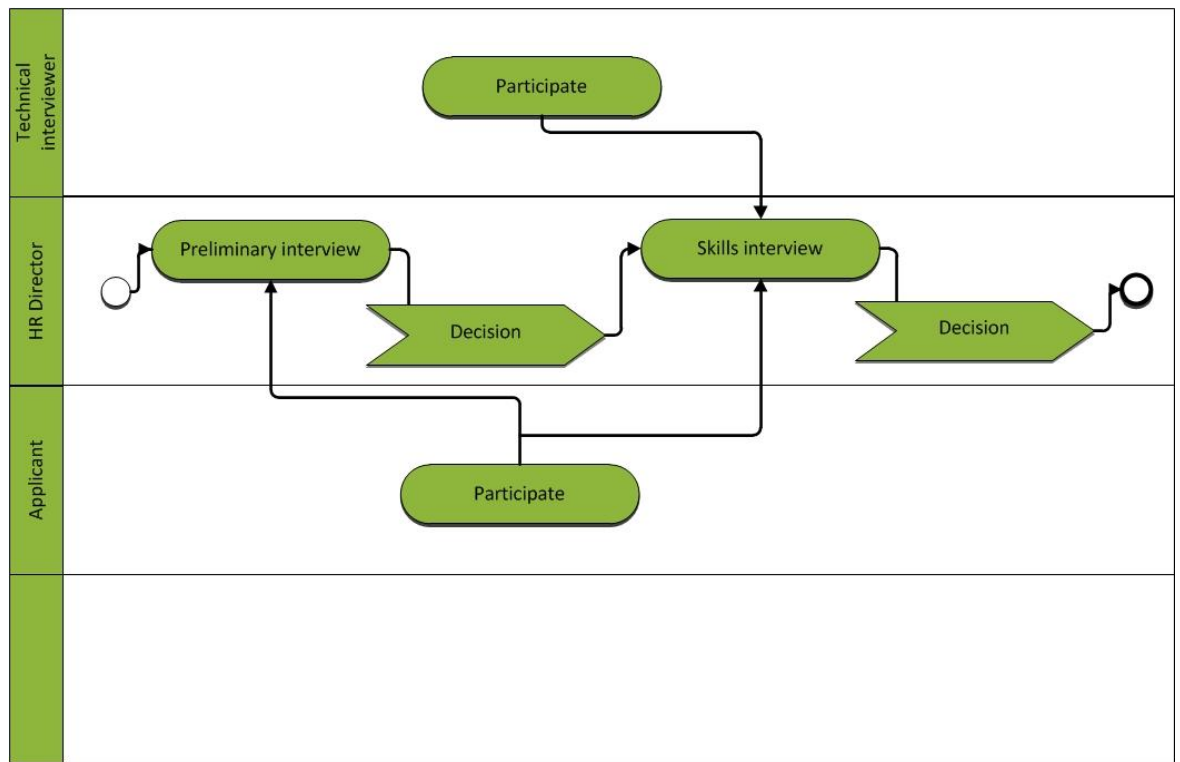


Figure 6 Recruiting: Decision

### 7.1.2 Interviewing

The purpose of the first interview is to get an image about the applicant and his/her suitability for the company. Skills interview focuses on the applicant's professional skills and personal capabilities. Technical interviewer participates in the skills interview. After both interviews, a decision process takes place. (Figure 7)

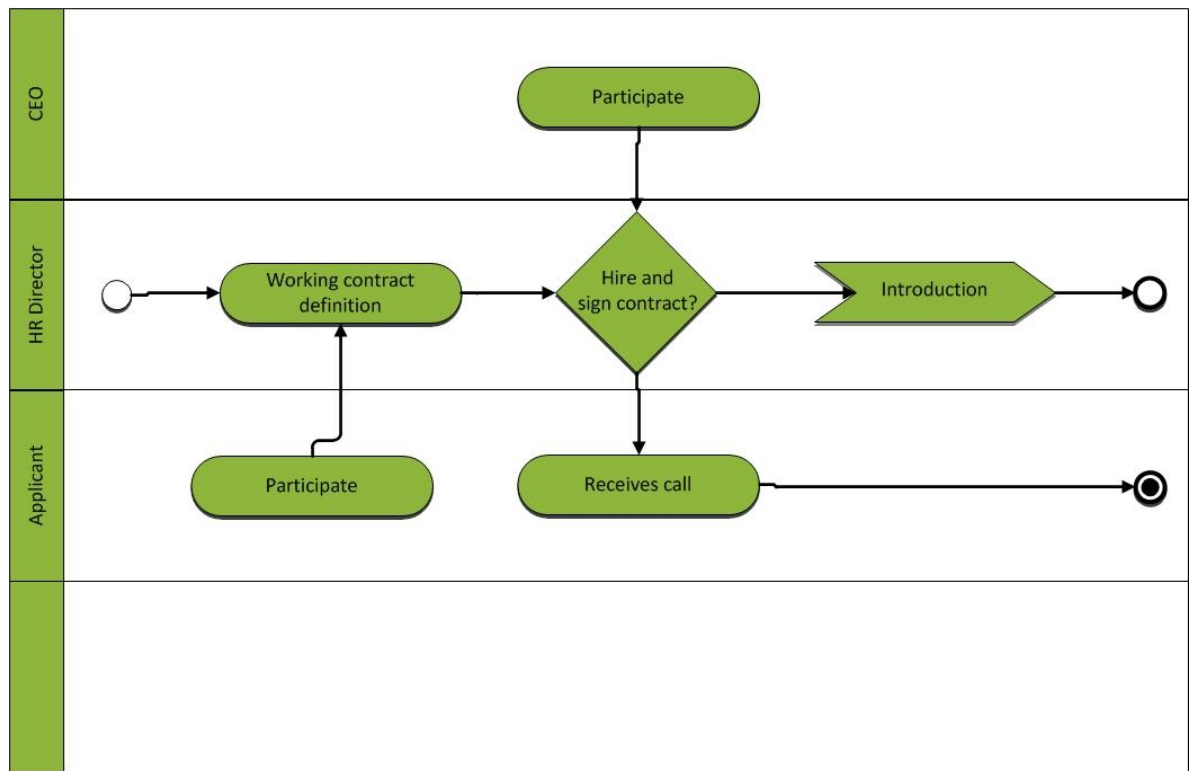


**Figure 7 Recruiting: Interviewing**

### 7.1.3 Hiring

Hiring process starts with working contract definition with the applicant. After that, HR Director and CEO decide whether or not to hire the applicant (Figure 8). If the applicant is being hired, introduction process starts. If working contract definition does not satisfy both parties, process ends with exception.

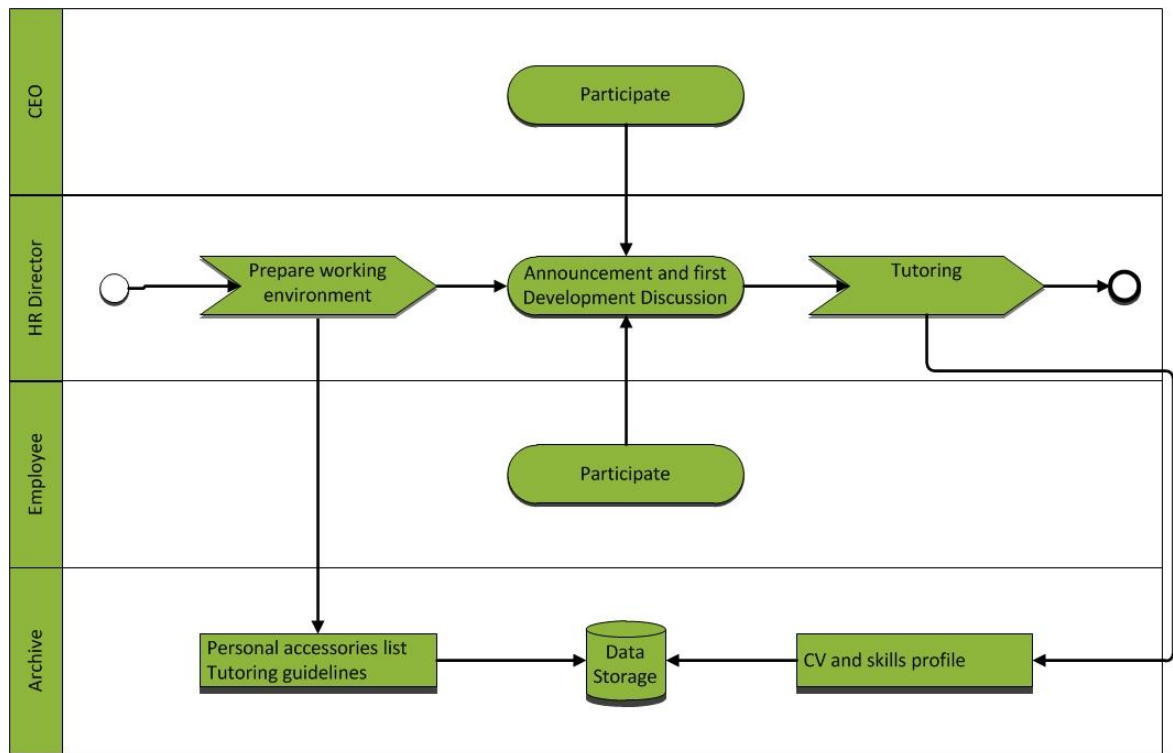




**Figure 8 Recruiting: Hiring**

## 7.2 Introduction process

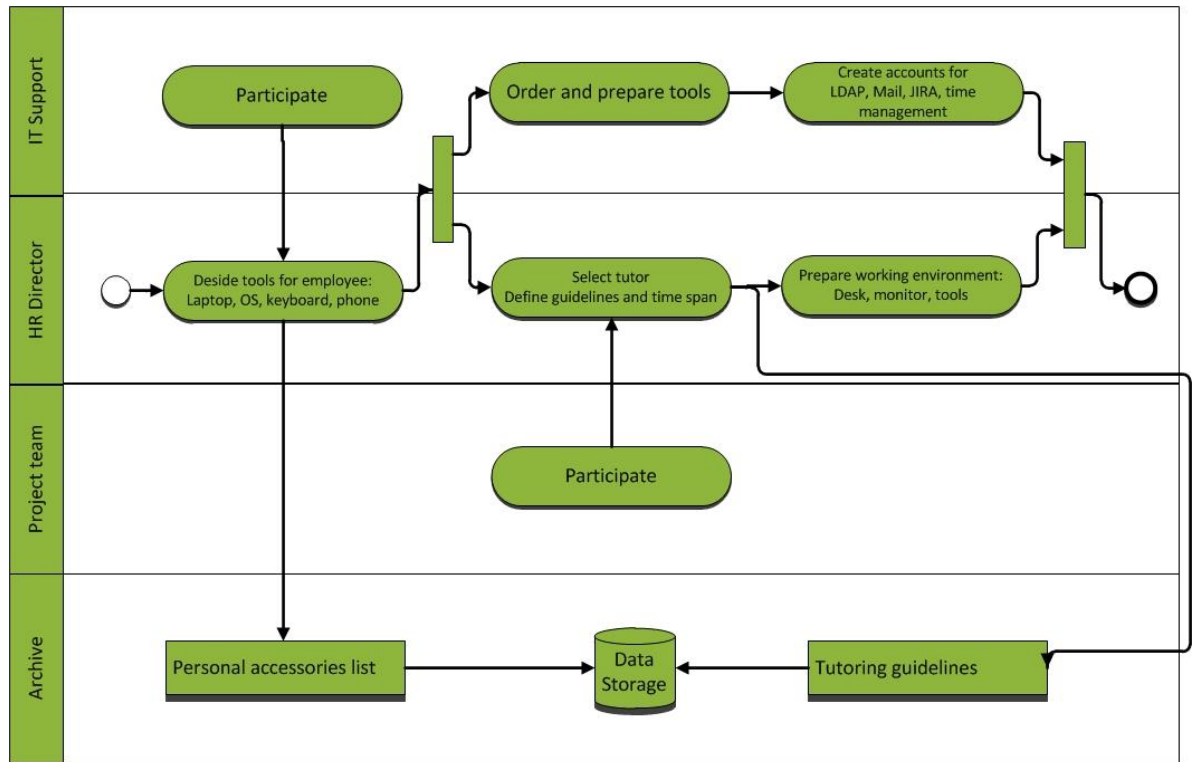
Introduction process contains a main process with two sub-processes. Process starts with spadework and ends with Tutoring (Figure 9).



**Figure 9 Introduction: Main process**

### 7.2.1 Before the employee arrives

Introduction process needs spadework to make employee's first days effective and start the actual work as soon as possible. This includes actions from HR Director and IT Support. Mainly, they make preparations for the employee, such as selecting a tutor and making accounts to email and internal web. (Figure 10)



**Figure 10 Introduction: Prepare working environment**

## 7.2.2 First week

Together with HR Director, CEO introduces the new employee with an announcement. If possible, announcement is a meeting with at least the new employee's team members. (Figure 9)

## 7.2.3 First development discussion

First development discussion is a meeting with CEO and/or HR Director. With lack of previous history in company, meeting focuses on employee's future, such as career, personal development and learning. In the meeting, the employee becomes familiar with the company's guidelines and the way of working. (Figure 9)

## 7.2.4 Tutoring

HR Director selects a tutor for the new employee. If it is possible, the tutor and the new employee work in the same team. Tutor's responsibilities vary for each tutoring, and they are described to the tutor by HR Director. Default duration of the tutoring is six months. The exact duration is not necessary to give due to different circumstances, such as personal capability of learning and definition of the employee's job tasks. HR Director can extend the tutoring by tutor's recommendation.

Tutoring ends with a feedback meeting with HR Director (Figure 11).

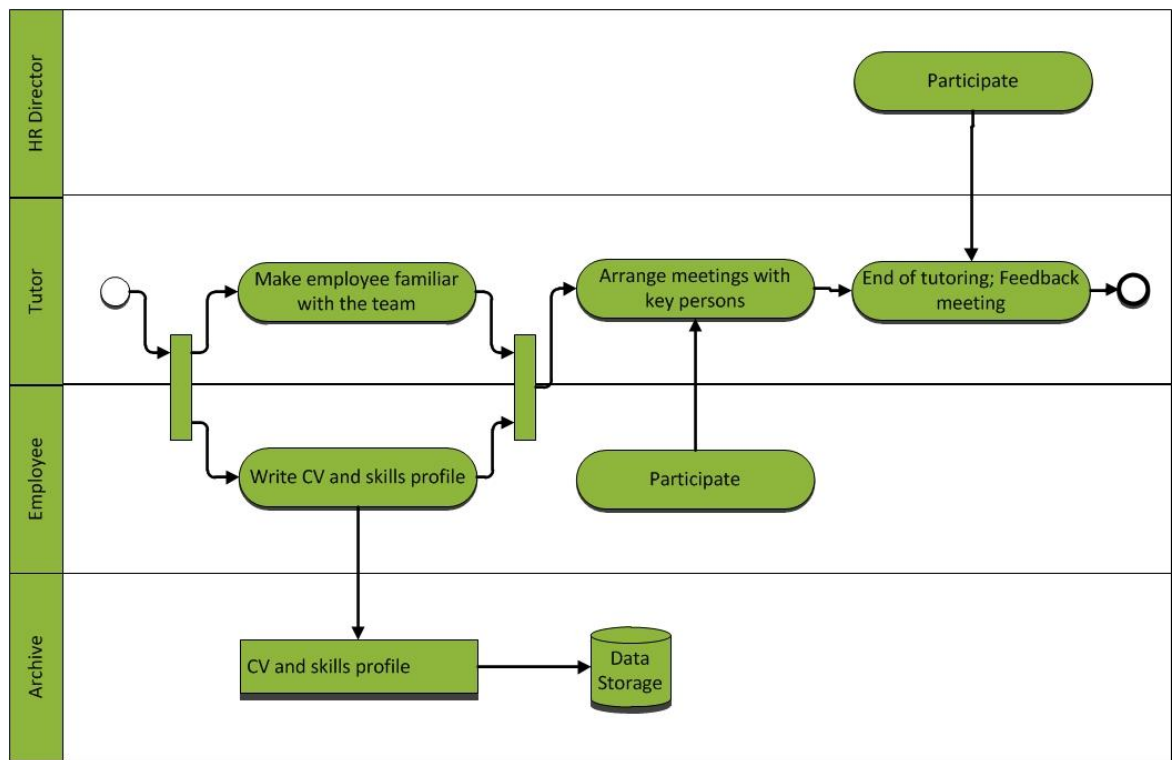


Figure 11 Introduction: Tutoring

## **8. CONCLUSION**

I got subject to this thesis from Human Resources Director at the target company. Previously, Codemate did not have any documented HR processes in use, and as a part of a bigger plan to document overall business processes and quality management system guidelines, this study was needed.

My task was to plan and document several HR processes for Codemate Ltd. A number of these processes were not determined at start. Due to time limits, several processes were limited to two. Recruiting and introduction were selected because they are the first processes in overall HR Management, and they define the future direction of the company by personnel selection.

Planning was probably the biggest part of this thesis including theory reading and interviewing company personnel. These interviews gave the direction for the actual process planning. Processes were documented with Microsoft Visio, a diagramming program that uses vector graphics to create diagrams, using Codemate's process diagrams and flowcharts.

Since both processes were successfully completed in this thesis, they will be taken in use in Codemate's Finnish offices during summer 2011. These processes should help the company to maintain currently high level of employees and satisfy stakeholders and customers at the same time.

In future, these processes should evolve according to changes in company. Therefore, all processes need to be continuously developed and maintained by HR Management.

The fact that at Codemate there were no previous processes for HRM was liberating and challenging at the same time. But just like with all the other things that happen for the company, I was not alone with decisions. Adapting theory to practice, preserving the company's needs and way of working was maybe the most challenging part. It has been interesting and educational to plan these

processes, and my overall understanding of IT business has significantly improved.

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